



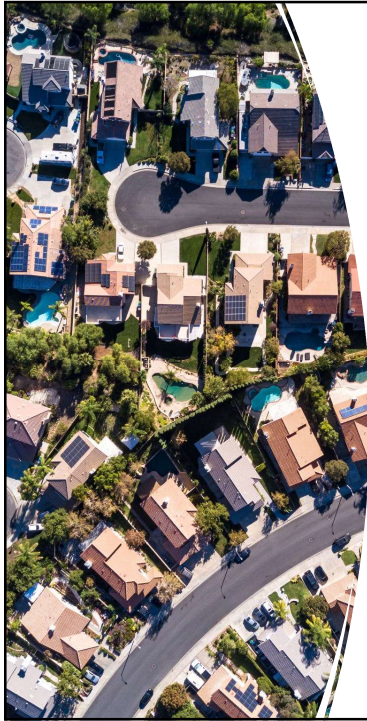
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Purpose of Incentives

- Encourage investment in under performing area of a city or sectors of the economy.
- These incentives help to attract investment, promote economic activity, and enhance the overall livability and attractiveness of specific areas.

A photograph of a Quality Inn hotel building at dusk. The building is a multi-story structure with a prominent glass balcony on the upper floor. The entrance is brightly lit, and the "Quality INN" logo is visible on the building's facade. The sky is a deep blue, and the overall scene is well-lit by the building's lights.

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Enabling Legislation

- Section 226 Community Charter provides authority to exempt property from municipal property taxes for environmental, economic, and social development purposes.
- Nanaimo has two tax incentive programs aimed at revitalizing the hotel/motel sector and the downtown core.

CITY OF NANAIMO

Hotel & Motel Revitalization Tax Exemption

			
2011-Development & redevelopment of hotels & motels to improve the inventory and quality of accommodation in Nanaimo.	Construction or renovation of a hotel or motel property with a building permit value \$2 million or more.	Results: Two projects in the downtown core (Courtyard by Marriot and Quality Inn)	10 yr. exemption on municipal portion of taxes based on the increase in assessed value resulting from the capital improvement.

Downtown Revitalization Tax Exemption



2018 - Development of new multi-family, new commercial, and renovations to commercial buildings.



New multi-family residential (4+ units), new commercial buildings, additions/reno's to existing commercial buildings with Building Permit Value of \$500,000 or more.



Results: Ten projects, most significant of these the Telus Living Project and the former Caledonia Clinic property project (both under construction).



10 yr. Exemption on municipal portion of taxes based on the increase in assessed value resulting from the capital improvement.

Five Year Review

Summary of Changes GPC Nov 27, 2023



Investment

DRTE – minimum 10+ residential units, \$2 million building permit value.

HMRT- minimum building permit value \$ 3 million for new builds, \$250K for renovations.



Duration & Percentage of Tax Break

5 years

100% municipal portion of property taxes.



Program Timeline

Start – Jan 1, 2025

Expiry- Dec 31, 2029



Agreement Approval Authority

Staff Level



Agreement Extension Requests

Two maximum - none after Dec. 31, 2029



Discussion



Staff summarized the amendments from GPC meeting



Gathered feedback from development community—Prefer 10 yr Exemption vs. 5 yrs.



Staff recommend HMRT apply to entire City for new builds and renovations



Bylaws prepared reflecting committee, staff and developer feedback



Staff annual Update- projects under each program and benefit to community

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Discussion

- Once the new bylaws are adopted, the existing bylaws 7143 and 7261 would be repealed.
- Notice will be given under Section 227(2) of the *Community Charter*.
- Previously approved exemption agreements are protected.



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Options

Option 1:

- Pass first three readings of: Revitalization Tax Exemption Bylaw (Downtown) 2024 No. 7384 and Revitalization Tax Exemption Bylaw (Hotel and Motel) 2024 No. 7385

Key changes from GPC: Ten year tax exemption and Hotel Motel Revitalization Tax Exemption City-wide for new builds and Renovations

Option 2

- That Council direct staff to bring forward Revitalization Tax Exemption Bylaws for a five-year period including HMRTE open Citywide for New builds and renovations.

Option 3

- Council provide alternate direction.

